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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/029,997	12/27/2001	Grace Tsui-Feng Chang	US010470	7022
24737	7590	09/15/2005	EXAMINER	
PHILIPS INTELLECTUAL PROPERTY & STANDARDS P.O. BOX 3001 BRIARCLIFF MANOR, NY 10510			REAGAN, JAMES A	
			ART UNIT	PAPER NUMBER
			3621	

DATE MAILED: 09/15/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

10/029,997

Applicant(s)

CHANG ET AL.

Examiner

James A. Reagan

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 18 June 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-13 and 22-27 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-13 and 22-27 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

## **DETAILED ACTION**

### **Status of Claims**

1. This action is in response to the amendment filed on 18 June 2005.
2. Claims 22-27 have been added.
3. Claims 1-13 and 22-27 have been examined.

## **RESPONSE TO ARGUMENTS**

4. Applicant's arguments received on 18 June 2005 have been fully considered but they are not persuasive. Referring to the previous Office action, Examiner has cited relevant portions of the references as a means to illustrate the systems as taught by the prior art. As a means of providing further clarification as to what is taught by the references used in the first Office action, Examiner has expanded the teachings for comprehensibility while maintaining the same grounds of rejection of the claims, except as noted above in the section labeled "Status of Claims." This information is intended to assist in illuminating the teachings of the references while providing evidence that establishes further support for the rejections of the claims.

With regard to the limitations of claim 1, Applicant argues that the prior art of record does not teach or disclose a data packet that contains a watermark. The Examiner respectfully disagrees. Stefik clearly discloses the use of digitized watermarks while transferring digital data. This discloses the limitation of claim 1 as written. It appears as if the Applicant is reading limitations into the claims from the specification. Consequently, the points argued are not recited in the claims themselves. For that reason, a solid argument in their contemplation cannot be established. Subsequent amendments to the claim language that would include the positions presented by the Applicant's arguments would provoke the Examiner to address the claims

individually and as a whole, in light of the remaining limitations as well as the specification. Until such amendments are rendered, the arguments are disregarded and will not be countered.

In summary, the Examiner has taken the broadest and most reasonable interpretation of the claim limitations as written, in light of the specification. Although the specification may contain recitations of intended use, alternative points of view and subjective interpretative differences between the prior art of record and the present invention as premeditated, it is the claims themselves that are given patentable weight only inasmuch as they are constructed. Because the claimed invention has been painted with the broad stroke of petitioning for limitations that encompasses more than is asserted in the Applicant's claims, the prior art of record continues to fully disclose the Applicant's inventions *as claimed*.

With regard to the assertions resulting from the rejection of claim 2, the Applicant's representative is again invited to familiarize herself with the entirety of the Stefik reference, which is a cornerstone of Digital Rights Management practices within the industry, paying specific attention to Figure 6 as well as other relevant and related text. Here, Figure 6 shows a watermark embedded into the digital work which contained user Id data as well as many other forms of significant DRM data. Again, it appears as if the Applicant is reading limitations into the claims that are not there.

With regard to claim 4, the common knowledge declared to be well-known in the art is hereby taken to be admitted prior art because the Applicant either failed to traverse the Examiner's assertion of Official Notice or failed to traverse the Examiner's assertion of Official Notice adequately. To adequately traverse the examiner's assertion of Official Notice, the Applicant must specifically point out the supposed errors in the Examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. A general allegation that the claims define a patentable invention without any reference to the Examiner's assertion of Official Notice would be inadequate. Support for the Applicant's assertion of should be included.

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With regard to claim 10, the apparent lack of a preview file has been addressed in parent claim 4.

The rejection of claim 12 has been updated.

### **Claim Rejections - 35 USC § 103**

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-13 and 22-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Stefik et al. (US 6,233,684 B1) in view of the Applicant's own admissions.

**Examiner's Note:** The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

**Claims 1-3, 5, 7, and 8:**

Stefik discloses the distribution of digital works utilizing a watermarking system to prevent copyright infringement and theft (see at least the abstract, column 1, line 46 to column 2, line 61, as well as other associated and relevant text). Stefik also discloses the use of User ID's, royalty information, designing the watermark based on historical data, and embedding the watermark into the digital work (see at least Figures 10 and 11, as well as other associated and relevant text). In addition, Stefik discloses the billing process (see at least Figure 2, as well as other associated and relevant text). Stefik, therefore, discloses the following limitations:

- *storing user data associated with a plurality of registered users, wherein said user data includes a user identification code (UserID) and payment information corresponding to each registered user of the plurality of registered users;*
- *transferring a data packet associated with the digital product from a registered user of the plurality of registered users to another user, wherein the data packet includes a watermark storing the UserID of the registered user;*
- *transacting a purchase by the user of the digital product; and*
- *processing the payment information corresponding to the registered user who transferred the data packet for effecting payment to the registered user for the sale of the digital product by the registered user to the user;*
- *updating the watermark to include the UserID of the registered user who transferred the data packet;*
- *the method is performed in accordance with a multi-level marketing business model;*
- *the data packet includes a product content file, wherein the watermark is embedded in the product content file;*
- *transmitting the updated watermark;*
- *the step of processing the payment further includes the step of receiving the updated watermark;*

Stefik does not specifically disclose a marketing aspect of the invention to include tracking of marketing components and events. Applicant, however, in the background of the specification discloses a marketing structure already known in the industry that includes maintaining records of multilevel marketing models for the distribution of digital goods.

**Claim 4:**

Stefik in combination with the Applicant's admissions disclose the digital data distribution system as well as *the data packet includes a product content file including the content of the product*, as shown in the rejections above. Stefik/Applicant do not disclose *a preview file including a sample of the content of the product, and wherein the watermark is embedded in the preview file*. The Examiner takes **Official Notice**, however, that it is old and well-known in the e-commerce industry to provide samples of documents, movies, music, and other digital files in order to entice a consumer to buy the full version after previewing the sample. As shown above, it would be obvious to include a watermark with the preview sample to prevent fraudulent use.

**Claims 6 and 9-11, 22, 23, 24:**

With regard to the limitations of:

- *a portion of the data packet is encrypted, and wherein the step of transacting a purchase further includes the step of providing a key for decrypting the encrypted portion;*
- *the product content file is encrypted;*
- *the preview file is not encrypted;*
- *the data packet is secured for preventing use of the product by the user prior to receiving the key for decrypting;*

See at least Figure 15 and column 2, lines 48-51, as well as other associated and relevant text.

**Claims 12 and 13:**

With regard to the limitations of:

- *updating history data stored within a watermark associated with a digital product every time the digital product is transferred, wherein the history data includes data associated with individuals who have transferred the digital product to another individual; accessing the history data;*
- *transacting a sale of the digital product; and*
- *rewarding the individuals who have transferred the digital product to another individual for effecting a sale of the digital product;*
- *the method is in accordance with a multi-level marketing business model;*

See the citations and explanations as shown in the rejections of claims 1-11 above. In addition, see column 2, lines 48-51.

**Claims 21 and 25-27:**

See the citations and explanations as shown in the rejections of claims 1-11 above. In addition, see column 2, lines 48-51.



**Conclusion**

7. **THIS ACTION IS MADE FINAL.** See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).
8. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

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Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to **James A. Reagan** whose telephone number is **571.272.6710**. The Examiner can normally be reached on Monday-Friday, 9:30am-5:00pm. If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, **James Trammell** can be reached at **571.272.6712**.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at **866.217.9197** (toll-free).

Any response to this action should be mailed to:

**Commissioner of Patents and Trademarks**

**Washington, D.C. 20231**

or faxed to:

**571-273-8300** [Official communications, After Final communications labeled "Box AF"]

**571-273-8300** [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the **United States Patent and Trademark Office Customer Service Window**:

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JAR

07 September 2005

*James A. Reagan*  
Primary Examiner  
3621